

ASX ANNOUNCEMENT

14 December 2017

Redflex Holdings Limited | ABN 96 069 306 216

The Redflex logo features the word "Redflex" in a white, sans-serif font, followed by a stylized green circular icon that resembles a lowercase 'r' or a camera lens.

Share Capital Update

Pursuant to its Long Term Incentive (LTI) Plan for Executives, Redflex Holdings Limited (**ASX:RDF**) has issued 165,066 Performance Rights subject to testing according to the LTI Plan Rules and as set out in the attached Appendix 3B. In addition, in accordance with the Company's LTI Plan for Executives, a total of 453,448 Performance Rights have lapsed due to employees leaving the Company.

The attached Appendix 3B also confirms the total number of shares on issue following the issue of shares under the retail component of the Entitlement Offer which has concluded.

About Redflex

The Redflex Group has established itself as a world leader in traffic enforcement products and services, developing leading enforcement camera technology and owning and operating one of the largest networks of digital speed and red-light cameras in the world. Redflex develops and manufactures a wide range of digital photo enforcement solutions including red light camera, speed camera and school bus stop arm camera systems, all utilising the most advanced sensor and image capture technologies.

The Redflex Group runs its own systems engineering operations, system integration technologies and innovation centre for research and development. With our continuous development of new safety products, the Redflex Group has been helping to reduce collisions and to save lives for more than 20 years.

Redflex Holdings Limited was listed on the Australian Securities Exchange in January 1997.

For further information:

Craig Durham
Group General Counsel & Company Secretary
Redflex Holdings Limited
craig.durham@redflex.com.au
T +61 3 9093 3324

Redflex Holdings Limited

31 Market Street (P.O. Box 720), South Melbourne, Victoria, Australia 3205 t: +613 9093 3324
e: redflexholdingslimited@redflex.com.au
www.redflex.com

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Redflex Holdings Limited (**Redflex**)

ABN

96 069 306 216

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | (a) Fully paid ordinary shares (Shares)

(b) Performance Rights |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) Redflex has issued 37,273,571 Shares (New Shares) pursuant to the terms of the accelerated pro-rata non-renounceable entitlement offer announced to the ASX on 15 November 2017 (Entitlement Offer). Under the pro-rata accelerated non-renounceable entitlement offer, Redflex issued New Shares as follows: <ul style="list-style-type: none"> • 21,534,227 New Shares under the institutional component of the Entitlement Offer on 23 November 2017; and • 15,739,344 New Shares under the retail component of the Entitlement Offer on 14 December 2017. |

+ See chapter 19 for defined terms.

3	Principal terms of the ⁺ securities (e.g. if options, exercise price and expiry date; if partly paid ⁺ securities, the amount outstanding and due dates for payment; if ⁺ convertible securities, the conversion price and dates for conversion)	<p>(a) The New Shares are issued on the same terms as existing Shares on issue.</p> <p>(b) 165,066 Performance Rights granted on 14 December 2017 and which are to be tested based on performance conditions based on the 2018 financial year and which are subject to service based vesting conditions on 1 October 2019 as to 82,533 and 1 October 2020 as to 82,533</p>
4	<p>Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>(a) Yes. The New Shares will rank equally in all respects with existing Shares from the date of issue.</p> <p>(b) No, Performance Rights</p>
5	Issue price or consideration	<p>(a) A\$0.44 per New Share.</p> <p>(b) Executive incentive</p>
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>(a) The purpose of the issue of New Shares is described in the Investor Presentation lodged with the ASX on 15 November 2017.</p> <p>(b) Executive incentive</p>
6a	<p>Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	No.
6b	The date the security holder resolution under rule 7.1A was passed	Not applicable.

6c	Number of ⁺ securities issued without security holder approval under rule 7.1	Not applicable.
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	Not applicable.
6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable.
6f	Number of ⁺ securities issued under an exception in rule 7.2	Not applicable.
6g	If ⁺ securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the ⁺ issue date and both values. Include the source of the VWAP calculation.	Not applicable.
6h	If ⁺ securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable.
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Not applicable.
7	⁺ Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	(a) Redflex issued the New Shares: <ul style="list-style-type: none"> under the institutional component of the Entitlement Offer on 23 November 2017; and under the retail component of the Entitlement Offer on 14 December 2017. (b) 14 December 2017

⁺ See chapter 19 for defined terms.

8	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		149,094,285	Fully paid ordinary shares

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (<i>including</i> the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		319,822	Performance Rights granted on 1 October 2015 which have satisfied performance based vesting conditions for the 2016 financial year and which are subject to service based vesting conditions on 1 October 2018.
		552,576	Performance Rights granted on 21 December 2016 and 2 February 2017 and which have satisfied performance based vesting conditions for the 2017 financial year and which are subject to service based vesting conditions on 1 October 2018 and 1 October 2019.
		1,597,523	Performance Rights granted on 21 August 2017 and which are subject to service based vesting conditions on 1 October 2018, 1 October 2019 and 1 October 2020.
		1,736,452	Performance Rights granted on 2 October 2017 and which are to be tested based on performance conditions for the 2018 financial year and which are subject to service based vesting conditions on 1 October 2018, 1 October 2019 and 1 October 2020.
		165,066	Performance Rights granted on 14 December 2017 and which are to be tested based on performance conditions based on the 2018 financial year and which are subject to service based vesting

	conditions on 1 October 2019 as to 82,533 and 1 October 2020 as to 82,533
4,371,439	Total Performance Rights
2,218,195	Options granted on 21 August 2017 and exercisable at 50.86 cents each expiring on various dates up to 21 February 2027.

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|----|--|---|
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | (a) Same dividend entitlements as existing shares on issue.

(b) Not applicable |
|----|--|---|

Part 2 - Pro rata issue

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|----|--|--|
| 11 | Is security holder approval required? | (a) No. |
| 12 | Is the issue renounceable or non-renounceable? | (a) Non-renounceable. |
| 13 | Ratio in which the +securities will be offered | (a) 1 New Share for every 3 existing Shares held as at the Record Date for the Entitlement Offer. |
| 14 | +Class of +securities to which the offer relates | (a) Fully paid ordinary shares. |
| 15 | +Record date to determine entitlements | (a) 7.00 pm (Melbourne time), 17 November 2017. |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | (a) No. |
| 17 | Policy for deciding entitlements in relation to fractions | (a) Where fractions arise on the calculation of shareholders' entitlements under the Entitlement Offer they will be rounded up to the next whole number of New Shares. |
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | (a) For the institutional component of the Entitlement Offer, all countries other than Australia, New Zealand, the United States and Hong Kong. For the retail component of the Entitlement Offer, all countries other than Australia and New Zealand. |

+ See chapter 19 for defined terms.

19	Closing date for receipt of acceptances or renunciations	(a) For the institutional component of the Entitlement Offer: 16 November 2017. For the retail component of the Entitlement Offer: 6 December 2017.
20	Names of any underwriters	(a) Baillieu Holst Limited
21	Amount of any underwriting fee or commission	(a) In relation to the: <ul style="list-style-type: none"> • Institutional component of the Entitlement Offer, an underwriting and management fee of 5%; and • Retail component of the Entitlement Offer, an underwriting and management fee of 5%.
22	Names of any brokers to the issue	(a) Not applicable.
23	Fee or commission payable to the broker to the issue	(a) Not applicable.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	(a) Not applicable.
25	If the issue is contingent on security holders' approval, the date of the meeting	(a) Not applicable.
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	(a) No prospectus or product disclosure statement was produced. However, an Entitlement Offer Booklet and a personalised Entitlement and Acceptance Form was sent to eligible retail shareholders on 22 November 2017.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	(a) Not applicable.
28	Date rights trading will begin (if applicable)	(a) Not applicable.
29	Date rights trading will end (if applicable)	(a) Not applicable.

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|----|---|--|
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | (a) Not applicable. |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | (a) Not applicable. |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | (a) Not applicable. |
| 33 | +Issue date | (a) Redflex issued the New Shares: <ul style="list-style-type: none"> • under the institutional component of the Entitlement Offer on 23 November 2017; and • under the retail component of the Entitlement Offer on 14 December 2017. |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities
(tick one)

(a) ☒ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over

+ See chapter 19 for defined terms.

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	Not applicable.	
39	+Class of +securities for which quotation is sought	Not applicable.	
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Not applicable.	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	Not applicable.	
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Number	+Class
		N/A	N/A

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.


Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


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Company Secretary

Date: 14 December 2017

Print name:

Craig Richard Durham

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+ See chapter 19 for defined terms.